WEEKLY ECONOMIC REVIEW

May 11, 2007

Alberta gained 12,100 new employees in April, resulting in total employment growth of 5.6%. The unemployment rate declined to 3.4% in April, the lowest among the provinces. Despite stronger employment, growth in hourly wages moderated to 5.1% in April from 5.7% in March.

Canada's employment fell slightly by 5,200 workers, but the unemployment rate remained at a historic 33-year low of 6.1% in April.

The value of building permits in Alberta increased sharply by 6.6% in March, after a 14.8% decline in February. Strong demand for housing, office building space and hotels resulted in gains in residential (6.9%) and non-residential (6.3%) permits.

Alberta's housing starts retreated by 4.5% to 50,700 at annual rates in April after growing by 17.5% in March. Nonetheless, housing starts are still above last year's record of 48,962 units.

Growth in house prices moderated in Alberta to 0.2% in March, the second time in the past four months that growth in house prices has been below the national increase. Since July 2005, house prices in Alberta have risen at more than triple the national pace.

Cdn Dollar (C¢/US$)

May 11, 2007	89.8¢
May 4, 2007	90.3¢
2007-08	88.8¢

WTI Oil US$/bbl

May 10, 2007	$61.68
May 3, 2007	$63.19
2007-08	$63.68

Nymex Natural Gas CS/mcf*
April Contract

May 11, 2007	$8.49
May 4, 2007	$8.78

*Estimate based on Nymex Futures Market Price

Calgary's house prices were up by 0.3%, while Edmonton's prices stayed flat in March. However, year-to-date growth in house prices remains strong at 32.2% in Calgary and 35.4% in Edmonton.

Canada's merchandise trade surplus narrowed to $4.6 billion in March as growth of imports surpassed that of exports. The U.S. trade deficit widened to $63.9 billion in March due to a surge in energy imports.

Rigs drilling in Alberta were down by 29.1% year-to-date, close to the level reached in 2000.

Both oil and gas prices fell this week due to larger-than-expected oil and gas inventories in the United States.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Employment (Thousands)	**April**			
Alberta	1,951	0.6%	5.6%	5.7%
Canada	16,793	0.0%	2.3%	2.4%
Housing Starts (thousands)[2]				
Alberta	50.7	-4.5%	8.3%	3.0%
Canada	211.9	-1.0%	-4.9%	-8.0%
Rigs Drilling				
Alberta	79	-73.2%	-60.8%	-29.1%
Building Permits ($ Millions)	**March**			
Alberta	1,292	29.2%	6.6%	16.8%
Canada	6,121	27.4%	12.3%	16.4%
New House Price Index (1997=100)				
Alberta	238.3	0.2%	29.4%	33.5%
Canada	159.2	0.4%	9.0%	9.6%
Trade Balance ($Millions)				
Canada	4,642	-11.4%	-6.2%	-5.1%
United States (US$)	-63,891	10.4%	2.6%	-5.7%

Source: Statistics Canada
1Year-to-date 2007 compared to the same period in 2006;2 seasonally adjusted at annual rates, Canada Mortgage and Housing Corporation